

HCS SS SCS SB 7 -- MISSOURI SCIENCE AND INNOVATION REINVESTMENT
ACT

SPONSOR: Mayer (Zerr)

COMMITTEE ACTION: Voted "do pass" by the Committee on Economic
Development by a vote of 18 to 3.

This substitute establishes the Missouri Science and Innovation
Reinvestment Act which:

- (1) Increases, from 10% to 30%, the amount of moneys appropriated to the Life Sciences Research Board that may be used for the construction of physical facilities in any fiscal year and specifies that up to 80% of the moneys must be appropriated to build research capacity at public and private not-for-profit institutions with at least 20% but no more than 50% to be used to promote life science technology transfer and technology commercialization;
- (2) Specifies that the Missouri Technology Corporation will serve as the administrative agent for the board and provides for its perpetual existence;
- (3) Changes the membership of the corporation's board of directors and requires the advice and consent of the Senate for the gubernatorial appointments to the board;
- (4) Changes the mandatory annual audit of the corporation by the State Auditor to an audit at the discretion of the State Auditor;
- (5) Specifies the terms and requirements for various designated and appointed board members; how members may be removed from the board; the meeting requirements and the operation of the board; and the powers of the board, including employment and benefits for the president and other corporation employees;
- (6) Requires the corporation to submit an annual report by January 1 to the Governor and General Assembly on the distribution of money from the fund and any income of the corporation during the prior year, the growth of science and innovation research and industry in the state, and financial or performance audit recommendations including any recommendation for additional necessary legislation. Copies of the final financial and performance evaluations must be given to the State Auditor and will be public records. Currently, the corporation is required to only submit an annual report by November 1 on the corporation's structure, operation, and financial status to the Governor and General Assembly;

(7) Specifies that the corporation will be exempt from certain specified property, income, and sales and use taxes; have all the powers of a Missouri not-for-profit corporation; assume all moneys, property, or other remaining assets of the Missouri Seed Capital Investment Board which has been dissolved; and will not be subject to the provisions of Chapter 34;

(8) Requires the board to adopt and maintain a conflict of interest policy and to establish an executive committee, an audit committee, and a research alliance and specifies the duties and powers of each committee and the alliance;

(9) Adds additional provisions for closing certain meetings and records of the corporation board and committees of the board under the Open Meetings and Records Law, commonly known as the Sunshine Law;

(10) Renames the Missouri Technology Investment Fund as the Missouri Science and Innovation Reinvestment Fund and specifies that it will be funded, in part, by moneys appropriated by the General Assembly based on a certain percentage of the increase in gross wages of science and innovation employees over base year gross wages as defined in the substitute. The Director of the Department of Economic Development, with assistance from the Director of the Department of Revenue, must establish the base year gross wages and determine the annual increase of science and innovation employees' gross wages that exceeds the base year gross wages. This difference is multiplied by the applicable percentage to determine the amount that the Director of the Department of Revenue must transfer to the fund for each of the 25 funding years beginning July 1, 2012, subject to appropriation;

(11) Prohibits the board from selling the corporation or substantially all of its assets or merging the corporation with another entity without prior authorization by the General Assembly and specifies that the corporation will not terminate before the satisfaction of all outstanding financial obligations;

(12) Requires any contract between the corporation and a not-for-profit organization for the operation of an innovation center to provide at least a 100% match by the nonprofit organization of any funds received by it from the corporation through appropriations; and

(13) Specifies that the names, positions, salaries, and lengths of service of all employees of the corporation will be public records, as well as the annual disclosure and compliance certificates, and the names of and fees paid to consultants and consulting firms.

FISCAL NOTE: No impact on state funds in FY 2012, FY 2013, and FY 2014.

PROPOSERS: Supporters say that by offering incentives for science and technology corporations to locate in Missouri many new jobs will be created around the state, not just in these fields, but in other industries with goods or services that support the science and technology corporations. The field of science and innovation technology is growing rapidly and competition among states to attract these corporations is intense. Missouri needs these programs and incentives to move ahead.

Testifying for the bill were Senator Mayer; Missouri Chamber of Commerce and Industry; University of Missouri; Missouri Biotechnology Association; St. Louis Regional Chamber and Growth Association; Associated Industries of Missouri; Taxpayers Research Institute of Missouri; Greater Kansas City Chamber of Commerce; Bob Langenkamp, Assistant City Manager of Kansas City; Monsanto; Kansas City Civic Council; James Moody, Missouri Higher Education Partnership; Office of the State Auditor; Washington University; Department of Economic Development; and Center for Emerging Technologies.

OPPOSERS: Those who oppose the bill say that they cannot support the bill because certain records are closed and there is a lack of limitation and guidance on legitimate purposes for funding.

Testifying against the bill were Missouri Right to Life; Paul Hamby, Campaign for Liberty; Ron Calzone, Missouri First, Inc.; David Linton; Bruce Hillis; Missouri Catholic Conference; and Elizabeth Rosin.

OTHERS: Others testifying on the bill were there for informational purposes only.

Testifying on the bill were Missouri Press Association and Campaign Life Missouri.